

<b>SERFF Tracking #:</b>	AEGG-128946040	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	CPIHI4DC RATE
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Transamerica Life Insurance Company		
<b>TOI/Sub-TOI:</b>	H14I Individual Health - Hospital Indemnity/H14I.000 Health - Hospital Indemnity				
<b>Product Name:</b>	I HIP				
<b>Project Name/Number:</b>	I HIP/CPIHI4DC				

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	None
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	0.000%
<b>Effective Date of Last Rate Revision:</b>	04/01/2013
<b>Filing Method of Last Filing:</b>	None

## Company Rate Information

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where req'd):</b>	<b>Minimum % Change (where req'd):</b>
Transamerica Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking #:

AEGG-128946040

State Tracking #:

Company Tracking #:

CPIHI4DC RATE

State: District of Columbia

Filing Company:

Transamerica Life Insurance Company

TOI/Sub-TOI: H14I Individual Health - Hospital Indemnity/H14I.000 Health - Hospital Indemnity

Product Name: I HIP

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Sheet	CPIHI4DC, CRAMB400, CRCI0400, CRERS400, CRHA0400, CRDA0400, CRMN0400, CRIPM400, CRISRG00, CRCICU00, CRACIN00, CRASD400, CRLAB400, CROPV400, CRSDT400, CROPS400, CRRX0400, CRSN0400, CRSRGP00, CRHWEL00, CRPREX00	New		Individual Hospital Indemnity Rate Sheet 3-8-2013.pdf,
2		Actuarial Memorandum	CPIHI4DC, CRAMB400, CRCI0400, CRERS400, CRHA0400, CRDA0400, CRMN0400, CRIPM400, CRISRG00, CRCICU00, CRACIN00, CRASD400, CRLAB400, CROPV400, CRSDT400, CROPS400, CRRX0400, CRSN0400, CRSRGP00, CRHWEL00, CRPREX00	New		Individual TransChoice Hospital Select Act Mem - long version - FAQ 7 changes - DC.pdf,

Transamerica Life Insurance Company  
Policy CPIHI400

***Rate Sheet***

The following shows the *annual* per unit rates for employees or members.

Daily In-Hospital Indemnity Benefit

Option 1: Maximum 31 days per confinement

Age Band	Premium per \$100 daily benefit
18-29	50.52
30-39	50.52
40-49	50.52
50-59	68.52
60-64	80.04
65-74	105.00

Option 2: Maximum annual benefit

	Maximum \$5K per person per year	Maximum \$10K per person per year	Maximum \$20K per person per year	Maximum \$100K per person per year
Age Band	Premium per \$100 daily benefit			
18-29	48.96	50.64	51.24	51.60
30-39	48.96	50.64	51.24	51.60
40-49	48.96	50.64	51.24	51.60
50-59	66.36	68.64	69.60	69.96
60-64	77.52	80.16	81.24	81.60
65-74	101.64	105.12	106.56	107.16

Outpatient Physician Office Visit Indemnity Benefit Rider

Maximum number of days per year

	Premium per \$10 per day				
Age Band	6 Days	7 Days	8 Days	9 Days	10 Days
18-29	19.08	20.04	21.00	21.96	22.92
30-39	27.00	28.44	29.88	31.20	32.64
40-49	34.56	36.36	38.16	39.96	41.64
50-59	40.56	42.60	44.76	46.92	48.96
60-64	40.56	42.60	44.76	46.92	48.96
65-74	44.52	46.80	49.20	51.48	53.76

Transamerica Life Insurance Company  
Policy CPIHI400

Outpatient Diagnostic Laboratory Test Indemnity Benefit Rider

Benefit is payable per test day

Age Band	Max 2 test days/insured/year	Max 3 test days/insured/year	Max 4 test days/insured/year	Max 5 test days/insured/year
Premium per \$5 of benefit per test day				
18-29	0.84	1.08	1.20	1.20
30-39	1.20	1.44	1.56	1.68
40-49	1.44	1.80	1.92	2.04
50-59	1.68	2.04	2.28	2.40
60-64	1.68	2.04	2.28	2.40
65-74	1.80	2.28	2.40	2.52

Outpatient Select Diagnostic Test Indemnity Benefit Rider

Benefit is payable per test day

Age Band	Maximum 1 test day/insured/year	Maximum 2 test days/insured/year
Premium per \$25 of benefit per test day		
18-29	5.52	8.28
30-39	7.44	11.28
40-49	9.48	14.16
50-59	10.92	16.32
60-64	10.92	16.32
65-74	11.76	17.52

Outpatient Advanced Studies Diagnostic Test Indemnity Benefit Rider

Benefit is payable per test day

Age Band	Maximum 1 test day/insured/year	Maximum 2 test days/insured/year
Premium per \$100 of benefit per test day		
18-29	8.16	10.20
30-39	11.04	13.80
40-49	13.92	17.40
50-59	16.08	20.04
60-64	16.08	20.04
65-74	17.28	21.60

Transamerica Life Insurance Company  
Policy CPIHI400

Hospital Confinement Indemnity Benefit Rider

Age Band	Maximum 1 Day per person per year	Maximum 2 Days per person per year	Maximum 3 Days per person per year
	Premium per \$100/Day		
18-29	10.08	11.64	13.08
30-39	10.08	11.64	13.08
40-49	10.08	11.64	13.08
50-59	13.51	15.48	17.52
60-64	16.01	18.36	20.76
65-74	21.00	24.12	27.24

Off-the-Job Accidental Injury Indemnity Benefit Rider

Age Band	Per \$50 Unit
18-29	7.92
30-39	7.92
40-49	7.92
50-59	7.92
60-64	7.92
65-74	7.92

Wellness Indemnity Benefit Rider

Maximum is expressed in number of days per insured per year

Age Band	Maximum 1 day/insured/year	Maximum 2 days/insured/year
	Premium per \$50 of benefit per day	
18-29	22.56	38.40
30-39	30.48	52.08
40-49	30.48	52.08
50-59	30.48	52.08
60-64	30.48	52.08
65-74	30.48	52.08

Transamerica Life Insurance Company  
Policy CPIHI400

Critical Illness Indemnity Benefit Rider

Benefit payment for dependents is a percentage of the benefit payment for the employee.

Age Band	Premium per \$2,500 benefit
18-29	3.48
30-39	9.00
40-49	26.04
50-59	60.00
60-64	84.96
65-74	111.96

Emergency Room Sickness Indemnity Benefit Rider

Age Band	Premium per \$25 benefit	
	Maximum 2 days / insured / year	Maximum 4 days / insured / year
18-29	11.16	11.64
30-39	13.92	14.52
40-49	13.92	14.52
50-59	13.92	14.52
60-64	13.92	14.52
65-74	13.92	14.52

Ambulance Indemnity Benefit Rider

Units are \$50 for ground and \$150 for air.

Age Band	Premium per unit
18-29	4.32
30-39	4.32
40-49	4.32
50-59	4.32
60-64	4.32
65-74	4.32

Transamerica Life Insurance Company  
Policy CPIHI400

Inpatient Drug and Alcohol Abuse Indemnity Benefit Rider

Annual maximum benefit is 31 days of confinement per insured.

Age Band	Premium per \$100 daily benefit
18-29	10.20
30-39	10.20
40-49	10.20
50-59	10.20
60-64	10.20
65-74	10.20

Inpatient Mental and Nervous Disorder Indemnity Benefit Rider

Annual maximum benefit is 31 days of confinement per insured.

Age Band	Premium per \$100 daily benefit
18-29	18.24
30-39	18.24
40-49	18.24
50-59	18.24
60-64	18.24
65-74	18.24

Intensive Care Indemnity Benefit Rider

Age Band	Maximum 30 days per covered person per year	Maximum 10 days per covered person per year
Premium per \$100 daily benefit		
18-29	14.04	13.32
30-39	14.04	13.32
40-49	14.04	13.32
50-59	18.96	18.00
60-64	21.96	20.88
65-74	29.04	27.60

Transamerica Life Insurance Company  
Policy CPIHI400

Skilled Nursing Indemnity Benefit Rider

Age Band	Premium per \$100 daily benefit
18-29	13.80
30-39	13.80
40-49	13.80
50-59	13.80
60-64	13.80
65-74	13.80

Inpatient Miscellaneous Indemnity Benefit Rider

Maximum 31 days per confinement per person per year

Age Band	Premium per \$100 daily benefit
18-29	50.52
30-39	50.52
40-49	50.52
50-59	68.52
60-64	80.04
65-74	105.00

Inpatient Surgical Indemnity Benefit Rider

Age Band	20% Anesthesia	30% Anesthesia
Premium per \$100 per day of surgery		
18-29	7.68	8.40
30-39	11.64	12.72
40-49	15.84	17.16
50-59	20.16	21.84
60-64	20.16	21.84
65-74	24.24	26.16



Transamerica Life Insurance Company  
Policy CPIHI400

Outpatient Surgical Indemnity Benefit Rider

Age Band	20% Anesthesia	30% Anesthesia
Premium per \$100 per day of surgery		
18-29	7.20	7.80
30-39	10.92	11.76
40-49	14.64	15.96
50-59	19.44	21.12
60-64	20.76	22.44
65-74	24.96	27.00

Surgical and Anesthesia Indemnity Benefit Rider

One unit is \$100 for Inpatient surgery, \$50 for most outpatient surgeries and \$10 for minor outpatient surgeries.

Age Band	20% Anesthesia	30% Anesthesia
Premium per Unit per day of surgery		
18-29	10.32	11.16
30-39	15.60	16.92
40-49	21.12	22.80
50-59	27.84	30.24
60-64	34.92	37.80
65-74	41.28	44.76

Prescription Drug Indemnity Benefit Rider

Age Band	Premium per unit Unit is \$5 benefit for generic and \$10 benefit for brand Pays 1 generic and 1 brand max per day					
	Max 12 days per year	Max 24 days per year	Max 36 days per year	Max 1 day per month	Max 2 days per month	Max 3 days per month
18-29	20.04	23.04	23.88	15.00	19.56	20.16
30-39	31.56	36.60	37.68	23.64	31.08	31.92
40-49	42.48	48.84	50.64	31.68	41.40	42.48
50-59	47.52	54.60	56.76	35.52	46.44	47.40
60-64	47.52	54.60	56.76	35.52	46.44	47.40
65-74	47.52	54.60	56.76	35.52	46.44	47.40

Transamerica Life Insurance Company  
Policy CPIHI400

Prescription Drug Indemnity Benefit Rider (Continued)

	Premium per unit Unit is \$5 benefit for generic and \$10 benefit for brand Pays either one generic or one brand per day max					
Age Band	Max 12 days per year	Max 24 days per year	Max 36 days per year	Max 1 day per month	Max 2 days per month	Max 3 days per month
18-29	19.20	21.72	22.44	15.00	18.96	19.20
30-39	30.48	34.44	35.76	23.64	30.24	29.88
40-49	40.56	46.20	47.76	31.68	40.20	40.08
50-59	45.72	51.60	53.52	35.52	45.00	44.88
60-64	45.72	51.60	53.52	35.52	45.00	44.88
65-74	45.72	51.60	53.52	35.52	45.00	44.88

Transamerica Life Insurance Company  
Policy CPIHI400

***Rating Factors***

The following shows the rating factors for coverage tiers and risk classes.

Coverage Tiers Factors

Coverage Tier	Most Benefits	Critical Illness	Prescription Drug	Surgical	Wellness
Individual	1.0	1.0	1.0	1.0	1.0
Individual & Spouse	2.2	2.0	2.5	2.3	2.2
Single Parent Family	1.5	1.1	2.8	2.0	3.0
Family	2.5	2.1	3.7	3.0	3.6

Risk Class Factors

Class	Factor
1	1.00
2	1.05
3	1.10
4	1.15
5	1.20
6	1.25

Factors take into account the existence (or non-existence) of a pre-existing condition exclusion as well as industry and company experience where appropriate. Factors are applied to monthly rates and then rounded to 2 decimal places.

Transamerica Life Insurance Company  
Policy CPIHI400  
**Actuarial Memorandum**

**I. Scope and Purpose**

This actuarial memorandum has been prepared with the intent of complying with regulations in your state applicable to the filing of this proposed policy form and rates. A specific listing of the applicable regulations can be provided upon request. This document may not be appropriate for other purposes.

**II. Benefit Description**

This is an individual hospital indemnity policy, guaranteed renewable to age 75. The policy and its riders are intended to provide limited benefit coverage to part-time, full-time, and entry-level employees or members. In addition, it will be used for conversions from similar group forms. Coverage options are set by the employer or association.

The following riders may be attached.

- CRCI0400 Critical Illness Indemnity Benefit Rider
- CRHWEL00 Wellness Indemnity Benefit Rider
- CRRX0400 Prescription Drug Indemnity Benefit Rider
- CRACIN00 Off-the-Job Accidental Injury Indemnity Benefit Rider
- CRASD400 Outpatient Advanced Studies Diagnostic Test Indemnity Benefit Rider
- CRSDT400 Outpatient Select Diagnostic Test Indemnity Benefit Rider
- CRLAB400 Outpatient Diagnostic Laboratory Test Indemnity Benefit Rider
- CROPV400 Outpatient Physician Office Visit Indemnity Benefit Rider
- CROPS400 Outpatient Surgical Indemnity Benefit Rider
- CRMN0400 Inpatient Mental and Nervous Disorder Indemnity Benefit Rider
- CRDA0400 Inpatient Drug and Alcohol Addiction Indemnity Benefit Rider
- CRAMB400 Ambulance Indemnity Benefit Rider
- CRCICU00 Intensive Care Indemnity Benefit Rider
- CRERS400 Emergency Room Sickness Indemnity Benefit Rider
- CRIPM400 Inpatient Miscellaneous Indemnity Benefit Rider
- CRHA0400 Hospital Confinement Indemnity Benefit Rider
- CRISRG00 Inpatient Surgical Indemnity Benefit Rider
- CRSN0400 Skilled Nursing Indemnity Benefit Rider
- CRSRGP00 Surgical and Anesthesia Indemnity Benefit Rider

The range of benefit amounts offered is shown on the schedule page of the policy.

**III. Applicability and Renewability**

Issued policies will be guaranteed renewable to age 75. Employees or members and their dependents are eligible for coverage.

**IV. Morbidity**

Assumed claim costs for the base policy and rider coverages were developed based on company experience and the Tillinghast Towers Perrin "HealthMAPS" claim cost manual.

**V. Total Termination**

The following assumed termination rates include voluntary termination by lapse as well as involuntary termination by death.

Policy Year	Lapse Rate
1	55%
2	50%
3	46%
4	42%
5+	39%

**VI. Expenses**

The following expenses were assumed.

Benefits:	50.6%
Expenses:	19.1%
Premium Tax:	2.5%
Commissions:	19.7%
Profit:	8.1%

**VII. Marketing Method**

These policies will be sold to individuals mainly through worksite marketing efforts via an agency distribution system to employees at the workplace, members of affinity associations and 1099 contractors. This product will also be available for conversions from a group product.

**VIII. Underwriting**

Employees or members and any eligible dependents will be underwritten on a class basis with risk classes determined by industry, existence or absence of a pre-existing condition exclusion, and past company experience.

**IX. Premium Cells and Issue Age Range**

Premium rates vary by issue age, family coverage tier and risk classification.

**X. Area Factors**

Premiums do not vary by geographic area.

**XI. Distribution of Business and Average Annual Premium**

The following distribution of policies was assumed by age and family status.

Attained Age	Distribution
18–29	26%
30–39	24%
40–49	22%
50–59	20%

Attained Age	Distribution
60–64	6%
65+	2%

Distribution of Business by Family Status				
Employee Only	Employee + Spouse	1-Parent Family	2-Parent Family	Total
58%	17%	11%	14%	100%

The average first-year annual premium per certificate is \$850.

## **XII. Premium Modalization**

The following premium modalization factors will be applied in billing calculations. Billable premiums will be rounded to the nearest cent following application of the modalization factor.

Annual mode	1.000
Semiannual mode	0.500
Quarterly mode	0.250
Monthly mode	0.083

## **XIII. Reserves**

Reserves will be calculated to meet the minimum reserve requirements in your state.

## **XIV. Trend Assumptions**

No claim trend was included.

## **XV. Anticipated Loss Ratios**

The anticipated lifetime loss ratio for this policy form is 50.6%.

## **XVI. Contingency and Risk Margins**

A 5% contingency margin for adverse deviation was included in the claims costs.

## **XVII. Proposed Effective Date**

The proposed rates are effective upon approval.

**XVIII. Actuarial Certification**

I hereby certify that to the best of my knowledge and judgment, the following are true with respect to this filing:

- (1) The assumptions represent my best judgment as to the expected value for each assumption and are consistent with the issuer's business plan at the time of filing;
- (2) The anticipated lifetime loss ratio meets or exceeds the appropriate regulatory minimum value;
- (3) The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board, including the Standard on data quality;
- (4) The filing is in compliance with applicable laws and regulations in the State;
- (5) The rates are reasonable in relationship to the benefits.



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Gray Townsend, FSA, MAAA  
Actuary

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March 4, 2013

Date

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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Transamerica Life Insurance Company		
<b>TOI/Sub-TOI:</b>	H14I Individual Health - Hospital Indemnity/H14I.000 Health - Hospital Indemnity				
<b>Product Name:</b>	I HIP				
<b>Project Name/Number:</b>	I HIP/CPIHI4DC				

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rate Cover Letter 4-12-2013 bj.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	No third party filer is involved.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum
<b>Bypass Reason:</b>	Actuarial Memorandum has been revised and is in more detail. It is attached to the rate/rule tab.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	The Actuarial Memornadum is being filed as a rate filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not applicable for a new rate filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Transamerica Life Insurance Company
<b>TOI/Sub-TOI:</b>	H14I Individual Health - Hospital Indemnity/H14I.000 Health - Hospital Indemnity		
<b>Product Name:</b>	I HIP		
<b>Project Name/Number:</b>	I HIP/CPIHI4DC		

<b>Bypass Reason:</b>	Not applicable for a new rate supplemental hospital indemnity rate filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Rate Summary Worksheet
<b>Bypass Reason:</b>	This is bypassed since this is a hospital indemnity rate filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



Transamerica Life Insurance Company  
Monumental Life Insurance Company  
Home Office: Cedar Rapids, Iowa

*Administrative Office*  
1400 Centerview Drive, P.O. Box 8063  
Little Rock, Arkansas 72203-8063  
(800) 400-3042

April 11, 2013

Ms. Darniece Shirley  
District of Columbia Department of Insurance,  
Securities and Banking  
810 First Street, NE  
Washington, DC 20002

RE: TRANSAMERICA LIFE INSURANCE COMPANY  
NAIC: 468-86231 FEIN: 39-0989781  
New Individual Health Rate Filing  
CPIHI4DC, et al. – Individual Hospital Indemnity Insurance Policy  
Response to your comments dated April 3, 2013

We have provided your comments below with our response following each comment.

#### Objection 1

##### **Comments:**

The Rate Review Data Detail section of the filing is missing. The State understands this is a new filing and not required, however completing would be preferred. Please correct, via post-submission update.

RESPONSE: I have not done both a post submission update and a “regular” response at the same time on SERFF. I tried to provide this information via post submission update. This process will not allow inclusion of the revised Actuarial Memorandum, so I will try to send the response first, then submit the post submission update.

#### Objection 2

- Actuarial Memorandum (Supporting Document)

##### **Comments:**

Please provide a detailed make-up of expenses as a percentage of premiums. Each expense item should be accounted for separately and total 100%. Expenses such as profit, claims, commission, e.g. should be included.

RESPONSE: We have attached a detailed Actuarial Memorandum for your review under the Rate/Rule Schedule tab.

#### Objection 3

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Rate Summary Worksheet (Supporting Document)
- Rate Sheet (Rate)
- Actuarial Memorandum (Rate)

##### **Comments:**

This rate review is limited to DC resident policyholders or DC domiciled group certificate holders. All other rate requests will need to be reviewed by that respective state.

RESPONSE: We agree and confirm that this filing is limited to DC resident policyholders or DC domiciled group certificate holders.

Objection 4

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Rate Summary Worksheet (Supporting Document)
- Rate Sheet (Rate)
- Actuarial Memorandum (Rate)

**Comments:**

Please note, this rate filing is subject to conformity with the corresponding forms' filing. This department reserves the right to withdraw the filing if not.

RESPONSE: The forms were approved on April 2, 2013 via SERFF AEGG-128946041.

We hope our response will meet with your satisfaction. To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your state. If you have any questions which can be resolved over the telephone, please contact me at 800-400-3042, x127-1098.

Sincerely,



Billie Jean Baldwin, FLMI, AIRC, CCP  
Senior Product Manager, Contract Compliance & Assistant Secretary  
Product Implementation Department  
Transamerica Life Insurance Company  
Telephone: 800-400-3042 x127-1098  
Email: bj.baldwin@transamerica.com

SERFF Tracking #:

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State Tracking #:

Company Tracking #:

CPIHI4DC RATE

State: District of Columbia

Filing Company:

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## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
03/18/2013		Rate	Actuarial Memorandum	04/11/2013	Individual Hospital Indemnity Act Mem - long version -3-8-2013.pdf (Superceded)
03/18/2013		Supporting Document	Cover Letter All Filings	04/11/2013	DC Rate Cover Letter 3-18-2013 bj.pdf (Superceded)
03/18/2013		Supporting Document	Actuarial Memorandum	04/11/2013	

Transamerica Life Insurance Company  
Policy CPIHI400  
**Actuarial Memorandum**

**I. Scope and Purpose**

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- CRHWEL00 Wellness Indemnity Benefit Rider
- CRRX0400 Prescription Drug Indemnity Benefit Rider
- CRACIN00 Off-the-Job Accidental Injury Indemnity Benefit Rider
- CRASD400 Outpatient Advanced Studies Diagnostic Test Indemnity Benefit Rider
- CRSDT400 Outpatient Select Diagnostic Test Indemnity Benefit Rider
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- CRHA0400 Hospital Confinement Indemnity Benefit Rider
- CRISRG00 Inpatient Surgical Indemnity Benefit Rider
- CRSN0400 Skilled Nursing Indemnity Benefit Rider
- CRSRGP00 Surgical and Anesthesia Indemnity Benefit Rider

The range of benefit amounts offered is shown on the schedule page of the policy.

**III. Applicability and Renewability**

Issued policies will be guaranteed renewable to age 75. Employees or members and their dependents are eligible for coverage.

**IV. Morbidity**

Assumed claim costs for the base policy and rider coverages were developed based on company experience and the Tillinghast Towers Perrin "HealthMAPS" claim cost manual.

**V. Total Termination**

The following assumed termination rates include voluntary termination by lapse as well as involuntary termination by death.

Policy Year	Lapse Rate
1	55%
2	50%
3	46%
4	42%
5+	39%

**VI. Expenses**

The total expense assumption is 41.5% of earned premium, which includes issue and maintenance expenses, premium tax and commissions.

**VII. Marketing Method**

These policies will be sold to individuals mainly through worksite marketing efforts via an agency distribution system to employees at the workplace, members of affinity associations and 1099 contractors. This product will also be available for conversions from a group product.

**VIII. Underwriting**

Employees or members and any eligible dependents will be underwritten on a class basis with risk classes determined by industry, existence or absence of a pre-existing condition exclusion, and past company experience.

**IX. Premium Cells and Issue Age Range**

Premium rates vary by issue age, family coverage tier and risk classification.

**X. Area Factors**

Premiums do not vary by geographic area.

**XI. Distribution of Business and Average Annual Premium**

The following distribution of policies was assumed by age and family status.

Attained Age	Distribution
18–29	26%
30–39	24%
40–49	22%
50–59	20%
60–64	6%
65+	2%

Distribution of Business by Family Status				
Employee Only	Employee + Spouse	1-Parent Family	2-Parent Family	Total
58%	17%	11%	14%	100%

The average first-year annual premium per certificate is \$850.

## **XII. Premium Modalization**

The following premium modalization factors will be applied in billing calculations. Billable premiums will be rounded to the nearest cent following application of the modalization factor.

Annual mode	1.000
Semiannual mode	0.500
Quarterly mode	0.250
Monthly mode	0.083

## **XIII. Reserves**

Reserves will be calculated to meet the minimum reserve requirements in your state.

## **XIV. Trend Assumptions**

No claim trend was included.

## **XV. Anticipated Loss Ratios**

The anticipated lifetime loss ratio for this policy form is 50.6%.

## **XVI. Contingency and Risk Margins**

A 5% contingency margin for adverse deviation was included in the claims costs.

## **XVII. Proposed Effective Date**

The proposed rates are effective upon approval.

**XVIII. Actuarial Certification**

I hereby certify that to the best of my knowledge and judgment, the following are true with respect to this filing:

- (1) The assumptions represent my best judgment as to the expected value for each assumption and are consistent with the issuer's business plan at the time of filing;
- (2) The anticipated lifetime loss ratio meets or exceeds the appropriate regulatory minimum value;
- (3) The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board, including the Standard on data quality;
- (4) The filing is in compliance with applicable laws and regulations in the State;
- (5) The rates are reasonable in relationship to the benefits.



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Gray Townsend, FSA, MAAA  
Actuary

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March 4, 2013

Date





Transamerica Life Insurance Company  
Monumental Life Insurance Company  
Home Office: Cedar Rapids, Iowa

*Administrative Office*  
1400 Centerview Drive, P.O. Box 8063  
Little Rock, Arkansas 72203-8063  
(800) 400-3042

District of Columbia Department of Insurance,  
Securities and Banking  
810 First Street, NE  
Washington, DC 20002

RE: TRANSAMERICA LIFE INSURANCE COMPANY  
NAIC: 468-86231 FEIN: 39-0989781  
New Individual Health Rate Filing  
CPIHI4DC, et al. – Individual Hospital Indemnity Insurance Policy

Transmitted via SERFF is the rate filing (separate from the form filing submitted same date under AEGG-128946041) for your review and approval. This is a new rate filing for new forms and are not intended to replace any forms previously approved by the Department. This filing does not contain any unusual or potentially controversial items that vary from normal company or industry standards.

Rates and an Actuarial Memorandum are attached for your review under the Rate/Rule Schedule tab. We have an implementation date requested for April 22, 2013.

The rest of this letter explains the forms for which the rates apply.

Form CPIHI4DC is an Individual Hospital Indemnity Insurance Policy intended to provide a daily hospital indemnity benefit not to exceed the maximum benefit or maximum number of days outlined in the Schedule of Benefits. This policy is guaranteed renewable to age 75 subject to our right to change the premiums for all insureds under policy form, following approval of such rate increase as required by the laws of your state.

Although this is an individual policy that will be available to any resident of your state, we will be offering this form in a Worksite Marketing solicitation to the individual employees and/or members of employers, associations or unions, as permitted under the laws of your state. At the time we contact an employer, association or union regarding the offer of this policy to their employees or members, we will put together a predetermined package of the policy plus rider benefits. This predetermined package will then be offered to the individual employees or members in a Worksite Marketing solicitation. For the most part, premiums will be paid through payroll deduction.

The following Optional Riders will be available for issue with the policy. The policy benefits and/or optional rider benefits will be offered to individuals in a preset package as indicated in the previous paragraph. All of these benefits are indemnity benefits, subject to per day limitations. They may also be subject to other maximum limitations, such as calendar year and lifetime maximums, as noted in the policy schedule of benefits.

CRAMB400 – Ambulance Indemnity Benefit Rider – provides a daily benefit for ambulance transportation to a hospital or emergency center.

CRCI0400 – Critical Illness Indemnity Benefit Rider – provides a lump sum benefit for the specified critical illnesses.

CRERS400 – Emergency Room Sickness Indemnity Benefit Rider – provides a daily benefit for emergency room treatment for a sickness.

CRHA0400 – Hospital Confinement Indemnity Benefit Rider – provides an additional daily benefit when confined in a hospital, not to exceed the number of days or confinements shown in the Schedule of Benefits.

\*CRDA0400 – Inpatient Drug and Alcohol Addiction Indemnity Benefit Rider. This rider is considered part of the base policy, not optional in the District of Columbia. It pays a benefit for each day of confinement in a treatment facility for drug or alcohol addiction.

\*CRMN0400 – Inpatient Mental and Nervous Disorder Indemnity Benefit Rider. This rider is considered part of the base policy, not optional in the District of Columbia. It pays a benefit for each day of confinement in a facility for the treatment of mental or nervous disorders.

CRIPM400 – Inpatient Miscellaneous Indemnity Benefit Rider – pays a benefit for each day of confinement in a hospital.

CRISRG00 – Inpatient Surgical Indemnity Benefit Rider – pays a daily benefit for inpatient surgery.

CRCICU00 – Intensive Care Indemnity Benefit Rider – pays a benefit for each day of confinement in an intensive care unit.

CRACIN00 – Off-The-Job Accidental Injury Indemnity Benefit Rider – provides a daily benefit for each day of treatment for an off-the-job accidental injury.

CRASD400 – Outpatient Advanced Studies Diagnostic Test Indemnity Benefit Rider – pays a benefit for each day the diagnostic advanced studies listed in the rider are performed as an outpatient.

CRLAB400 – Outpatient Diagnostic Laboratory Test Indemnity Benefit Rider – pays a benefit for each day outpatient diagnostic tests are performed.

CROPV400 – Outpatient Physician Office Visit Indemnity Benefit Rider – pays a daily benefit for a physician's office visit.

CRSDT400 – Outpatient Select Diagnostic Test Indemnity Benefit Rider – pays a benefit for each day the select diagnostic tests listed in the rider are performed as an outpatient.

CROPS400 – Outpatient Surgical Indemnity Benefit Rider – pays a daily benefit when surgery is performed on an outpatient basis.

CRRX0400 – Prescription Drug Indemnity Benefit Rider – pays a daily benefit for a filled prescription drug.

CRSN0400 – Skilled Nursing Indemnity Benefit Rider – provides a benefit for each day of confinement in a skilled nursing facility

CRSRGP00 – Surgical and Anesthesia Indemnity Benefit Rider – provides a daily benefit for inpatient surgery, outpatient surgery, outpatient minor surgery, and anesthesia.

CRHWEL00 – Wellness Indemnity Benefit Rider – provides a daily benefit for certain listed health screening tests.

CRPREX00 – Waiver of Preexisting Condition Limitation Amendatory Rider – waives the Preexisting Condition Limitation of the policy.

The Application to be used in the solicitation of this policy will be form CHI-IAP-04-00. As explained above, this application will be used in a Worksite Marketing solicitation. The application will NOT reflect all of the optional riders that might be available or even a choice of every daily benefit that is available. The application could have a choice of one or two predetermined packages from which the applicant can make a selection.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your state. If you have any questions which can be resolved over the telephone, please contact me at 800-400-3042, x127-1098.

Sincerely,



Billie Jean Baldwin, FLMI, AIRC, CCP  
Senior Product Manager, Contract Compliance & Assistant Secretary  
Product Implementation Department  
Transamerica Life Insurance Company  
Telephone: 800-400-3042 x127-1098  
Email: bj.baldwin@transamerica.com

## LIST OF FORMS INCLUDED IN FILING

CPIHI4DC	Individual Hospital Indemnity Insurance Policy
CRAMB400	Ambulance Indemnity Benefit Rider
CRCI0400	Critical Illness Indemnity Benefit Rider
CRERS400	Emergency Room Sickness Indemnity Benefit Rider
CRHA0400	Hospital Confinement Indemnity Benefit Rider
CRDA0400	Inpatient Drug and Alcohol Addiction Indemnity Benefit Rider
CRMN0400	Inpatient Mental and Nervous Disorder Indemnity Benefit Rider
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CROPS400	Outpatient Surgical Indemnity Benefit Rider
CRRX0400	Prescription Drug Indemnity Benefit Rider
CRSN0400	Skilled Nursing Indemnity Benefit Rider
CRSRGP00	Surgical and Anesthesia Indemnity Benefit Rider
CRHWEL00	Wellness Indemnity Benefit Rider
CRPREX00	Waiver of Preexisting Condition Limitation Amendatory Rider
CHI-IAP-04-00	Application